



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 17, 2009

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

SUBJECT: **SOUTH BAY FAMILY HEALTHCARE CENTER CONTRACT – A  
DEPARTMENT OF PUBLIC HEALTH HIV/AIDS CARE AND  
PREVENTION SERVICES PROVIDER - FOLLOW-UP REVIEW**

At the request of the Department of Public Health (DPH), Office of AIDS Programs and Policy (OAPP), we completed a follow-up review of South Bay Family Healthcare Center's (SBFHC or Agency) progress in implementing the recommendations from our February 20, 2009 report. The purpose of our original review was to determine if SBFHC had appropriately spent funds in accordance with the County contract. SBFHC is located in the Fourth District.

The Agency implemented two of the three recommendations included in our report. The following are the recommendations and their implementation status.

**CASH/REVENUE**

**Recommendation 1**

**SBFHC management establish and implement a client fee determination system and ensure that it is approved by OAPP.**

**Current Status: IMPLEMENTED**

**Verification**

SBFHC implemented a client fee determination system that OAPP approved on July 21, 2009.

**PAYROLL AND PERSONNEL**

**Recommendation 2**

**SBFHC management repay OAPP \$11,967.**

**Current Status: NOT IMPLEMENTED**

**Verification**

As of October 2009, the Agency had not repaid OAPP the questioned costs due to the Agency's cash flow issues. OAPP recently indicated that they will work with SBFHC to collect the funds owed.

**Recommendation 3**

**SBFHC bill payroll expenditures based on actual costs incurred and report actual hours worked on OAPP related activities.**

**Current Status: IMPLEMENTED**

**Verification**

The time reports for three employees sampled for May 2009 showed actual hours worked on the OAPP contracts. In addition, SBFHC's payroll expenditures billed to OAPP for May 2009 were supported by the hours reported on the time reports.

We discussed the results of our review with SBFHC and OAPP. OAPP indicated that they will work with SBFHC to collect the funds owed. We thank SBFHC for their cooperation and assistance during our follow-up review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:EB

c: William T Fujioka, Chief Executive Officer  
Jonathan E. Fielding, Director, Department of Public Health  
Jann Hamilton Lee, President/CEO South Bay Family Healthcare Center  
Public Information Office  
Audit Committee